



Shire of
Katanning
Heart of the Great Southern

'A prosperous, vibrant and diverse community working together.'

**MINUTES OF AN
ORDINARY COUNCIL MEETING**

Dear Council Member

Minutes of the Ordinary Council Meeting of the Shire of Katanning held on
Tuesday 17 December 2019 in the Shire of Katanning Council Chambers,
52 Austral Terrace, Katanning, commencing at 6:00pm.

DISCLAIMER

The Council of the Shire of Katanning hereby
advises that before taking any action on an application or a
decision of the Council, any applicant or members of the
public should wait for written advice from the Council.

PRESIDING MEMBER _____

DATE SIGNED _____



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1. DECLARATION OF OPENING/ ANNOUNCEMENT OF VISTORS

The Presiding Member declared the meeting open at 6.00 pm.

2. RECORD OF ATTENDANCE**PRESENT**

Presiding Member: Cr Liz Guidera - President

Members: Cr John Goodheart – Deputy President
Cr Danny McGrath
Cr Serena Sandwell
Cr Owen Boxall
Cr Ernie Menghini
Cr Kristy D’Aprile
Cr Mark Stephens

Council Officers: Julian Murphy, Chief Executive Officer
Lisa Hannagan, Executive Manager Finance and Administration
Heidi Cowcher, Executive Manager Property and Assets
Sue Eastcott, Executive Assistant to CEO

Gallery: Arthur Todd

Media:

Apologies: Cr Martin van Koldenhoven

Leave of Absence:

3. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Cr Liz Guidera welcomed everyone to the final meeting for 2019 and declared what a year it had been – full of challenges and achievements.

Cr Guidera commented that the town is looking fantastic and our community is engaged and positive.

Cr Guidera thanked each and every one of the Councillors for the contribution they had made.

Cr Guidera wished Councillors, staff and the community members a happy and safe festive season

4. RESPONSE TO PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5. DISCLOSURE OF FINANCIAL/IMPARTIALITY INTERESTS

Nil

6. PUBLIC QUESTION/STATEMENT TIME**Mr Arthur Todd Statement.**

Mr Todd thanked Council for the opportunity to speak and stated that he had two things that he would like to bring to Councils attention.

Mr Todd explained he had been told on more than one occasion that Katanning is the most vibrant town in the wheatbelt region which he also believed that it is and that is due mainly to the efforts of this Council and the Council staff.

Mr Todd stated he understood that Council has finally made some decisions on the relocation and upgrade of the Katanning Visitors Centre and congratulated Council on their initiative, he continued that he also understood that Council is looking to move the centre to the old Katanning Hotel. He explained that after visiting many Visitors Centres around the state to see how they operate how they are funded and manned and to inspect layouts the Katanning Hotel compared to those others is way too small to be of a practical use as a premier business centre. Mr Todd related that the successful visitors centre in other towns he had visited are provided by the local Council after obtaining supporting funding are bright large and roomy, with souvenirs local produce and arts and crafts and the like available for sale and sold on a commission basis.

Mr Todd remarked that they are generally in a unique building or position that naturally attracts visitors to them and are managed and manned by organised volunteers keen to promote their local town and community. Mr Todd said he understood that Katanning Council has the old Katanning Hotel available and would like to secure its future with the addition of the Visitors Centre, however a large and unique standalone heritage building is sitting empty and going to waste in the same street: the Old Railway Station.

Mr Todd proposed that developing this asset as a Visitors Centre with its extra room and its strategic position will only enhance Austral Terrace as a major part of our central business district. It would provide a central and easy to find centre for our visitors and it would also provide somewhere to display the Agricultural Society's Pioneer Family History Boards on a permanent basis. Mr Todd stated that tourism is a major growth industry so much so that Council has prepared a tourism plan that unfortunately puts international inbound tourism as least important. However, Mr Todd believed with Malay tourism now forming a largest portion of the States inbound tourism Katanning is in the ideal position to capitalize on this market there are people in Katanning with important connections in Malaysia that need to be utilised.

Mr Todd expressed that he had highlighted in previous correspondence that if we don't act others will and to prove that point Wagin is actively looking at promoting Malay tourism into their town. Mr Todd explained that he had sent several emails to Council and Councillors regarding developing tourism and developing the old Railway Station buildings over the past few months and that he had never received a single response or reply from anyone which is disappointing as he only had Katanning's interest at heart. Mr Todd remarked that he thought it is important that if you receive emails and correspondence from people that are trying to work towards making this a better community just as all you people are it would actually be nice to get a response from someone. Mr Todd wished everyone a Merry Christmas.

Cr Guidera Response

Cr Guidera thanked Mr Todd and stated first and foremost she apologised for not replying by email and commented that she knew they had some discussions but hasn't replied in writing and apologised on the behalf of everyone. Cr Guidera expressed that she knew they are all busy, but it isn't good enough to not give a response and that Council can certainly make that one of their New Year resolutions to ensure that communication gets a response. Council are always trying to be achieve better communication and that is one of the things where people are active and interested community is they get the response when they have taken the time to approach us

Mr Todd Response

Mr Todd shared that when he was on Council, they had similar issues and Council moved a motion that was passed and written in to our local by laws that correspondence and emails would get a response.

Cr Guidera Response

Cr Guidera stated Council would look into it and make sure it doesn't happen in 2020.

Cr Guidera reiterated Mr Todd's comment that the Katanning Hotel is too small and that the Railway building does afford a very good opportunity for a Visitors Centre and explained that she thought Mr Todd would understand and probably agree with Council is what they needed to do with the Tourism Strategy at the outset was change what we had and what Council simplest solution is for them to collocate to the Katanning Hotel.

Cr Guidera detailed that the Community Resource Centre is staffed five days per funded by the Department of Primary Industries & Regional Development So that is in itself the biggest opportunity to address visitors services. The Council has requested to go 7 days per week and will work to be able to fund it. Cr Guidera noted that the Shire does not own the Railway building so that is an impediment as it is under a Public Transport Authority lease.

Cr Guidera commented that Council have spoken previously, informally and not in any strategic sense about the opportunities at the Railway building and how that could be something in the future but if Council are going to do that they want to do it well and want to attract the funding. Council will need to get a good project up and that it doesn't happen overnight.

Julian Murphy Comment

Mr Murphy commented that generally with the inbound national tourists mentioned is that he thought that what Council are looking for is easy wins and our biggest failing was a lack of a visible sustained presence for a Visitor Centre. The hours of operation as you know were sporadic it didn't include weekends, so Council's strategy now is to get a 7-day presence in place.

Mr Murphy explained that like all things a standalone facility that is fully funded by Council is not possible and the volunteer situation didn't work that is why Council focused on that. International visitors vs local tourism are not mutually exclusive. Once the product is organised, certainly through the Katanning Regional Business Association, Katanning needs a presence. Katanning needs everyone singing from the same page in terms of the tourism message we need to build that capacity locally amongst the businesses and outlets so we have got that same message and then we are primed and ready for that level of tourism. In that respect it is not one or the other you have got to walk before you can run.

Arthur Todd Question

Mr Todd asked if he was able to get a group of people to work towards developing Malay tourism because it is so big and we are in prime position, would Council be supportive?

Cr Liz Guidera Response

Cr Guidera responded that she certainly would be happy to come and be involved in those discussions.

Mr Todd Response

Mr Todd shared that he planned to get people together and already people are keen to get involved and then they would need to involve the Shire, KRBA the Malay Embassy in Perth and the Tourist commission in Perth. Mr Todd reiterated that if Council says they are supportive of it, because he doesn't want to be interfering or overriding with anything that Council want to do and as he had read Tourism Strategy and thought it fantastic.

Mr Todd stated that he was not saying that he was looking to council for funding, anything else that is something we will look towards planning outside of the town.

Cr Liz Guidera Response

Cr Guidera stated that Council has really pushed hard to get the Tourism Strategy and to get it up quickly. She explained that Council was fortunate to have Farlane as the company who did the stakeholder engagement and they did a very good job, they produced a good document that is workable and that it is going to be a living document. Cr Guidera expressed that the Malaysian inbound tourism is an opportunity for Katanning and that Council are happy to keep in the loop keep discussing and be supportive

Arthur Todd Response

Mr Todd stated that he is volunteering his time in anything Council is looking at getting community involved in.

7. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

8. PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

9. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

9.1 Ordinary Council Meeting – 26 November 2019
(SEE ATTACHED MINUTES)

MOVED: CR MARK STEPHENS

SECONDED: CR OWEN BOXALL

OC312/19 That the minutes of the Ordinary Council Meeting held on Tuesday 26 November 2019 be confirmed as a true record of proceedings.

Voting Requirement: Simple Majority

CARRIED 8/0

10. REPORTS OF COMMITTEES AND OFFICERS

Nil.

10.1 EXECUTIVE MANAGER INFRASTRUCTURE & DEVELOPMENT REPORTS

10.1.1 Restricted Access Vehicle Network

File Ref: RD.PG.2
Reporting Officer: Shane Chambers, Acting Executive Manager Infrastructure
Date Report Prepared: 12 December 2019

Issue:

Main Roads Heavy Vehicle Services (HVS) has received a request to include Withers Road, McKenzie Road and Greenhills Road onto the Harvest Mass Management (HMMS) list.

Body/Background:

Withers Road, McKenzie Road and Greenhills Road are currently RAV 4 network roads which restricts heavy vehicle movements. Heavy vehicle restrictions are often unnecessary, prohibitive and have significant impacts on rural shire roads especially during harvest period. There is often the misconception that larger heavier vehicle combinations result in increased wear and tear to the road infrastructure. Restricted access vehicles (RAV) such as road trains not only increase productivity for operator's, but they also reduce the number of road trips, traffic congestion, carbon emissions and overall pavement wear.

Main Roads have received requests to upgrade Withers Road, McKenzie Road and Greenhills Road to RAV 7 network roads which would allow heavy combination vehicles to travel along these roads subject to adherence to a number of conditions.

The table below shows the changes that Main Roads are considering for endorsement onto the HMMS list:

Road Name	From (SLK)	To (SLK)	Current Network	Requested Network
Withers Road	Warren Road (0.00)	McKenzie Road (3.60)	RAV4	RAV7
McKenzie Road	Trimmer Road (0.00)	Warren Road (18.04)	RAV4	RAV7
Greenhills Road	Great Southern Hwy (0.00)	North Greenhills Road (5.20)	RAV4	RAV7

Officer's Comment:

The axle spacing on road trains allows for pavement recovery between axle groups. The average triple road train is capable of moving 160 tonnes in 2 vehicle movements, whereas a prime mover and single trailer would take approximately 7 loads to move the same volume. The overall impact on pavements is reduced with a RAV when used correctly an in accordance with Main Road requirements.

Statutory Environment:

Road Traffic Act 2014

Road Traffic Regulations 2014

Policy Implications:

Nil.

Financial Implications:

Nil.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "low". The "Low" risk rank is considered acceptable with adequate controls, managed by routine procedures.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

PRIORITY	BUILT ENVIRONMENT	
ASPIRATION	B1	Infrastructure that meets community need
OBJECTIVE	B1.2	Provide facilities that meet community need.

Officer's Recommendation/Council Motion:**MOVED: CR DANNY MCGRATH****SECONDED: CR JOHN GOODHEART**

OC313/19 That Council provide written support to Main Roads Western Australia to amend the Restricted Access Vehicle Network classification for Withers Road, McKenzie Road and Greenhills Road from RAV 4 to RAV 7.

Voting Requirement: Simple Majority

CARRIED 8/0

Cr Danny McGrath spoke for the motion.

10.2 EXECUTIVE MANAGER FINANCE & ADMINISTRATION REPORTS

10.2.1 Schedule of Accounts (ATTACHMENTS)

File Ref: FM.FI.4
Reporting Officer: Wendy Stringer, Manager Finance
Report Prepared: 05 December 2019

Body/Background:

This information is provided to Council on a monthly basis in accordance with provisions of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996. A Local Government is to develop procedures for the authorisation of, and payment of, accounts to ensure that there is effective security for, which money or other benefits may be obtained.

Below is a summary of the payments made for the financial year:

Month	Cheques 2019/20	EFT Payments 2019/20	Direct Debits 2019/20	Credit Card 2019/20	Payroll 2019/20	Trust 2019/20	Total Payments 2019/20
July	47,366.57	1,176,232.69	233,759.25	-	330,679.18	574.88	1,788,612.57
August	41,439.99	908,599.83	105,255.62	25,680.27	315,742.80	736.45	1,397,454.96
September	26,200.40	1,751,702.11	48,767.40	1,070.69	314,244.68	-	2,141,985.28
October	43,117.15	1,590,746.79	52,380.52	-	517,707.50	-	2,203,951.96
November	51,601.72	1,588,987.73	31,777.33	7,613.45	298,102.14	-	1,978,082.37
December							-
January							-
February							-
March							-
April							-
May							-
June							-
Total	209,725.83	7,016,269.15	471,940.12	34,364.41	1,776,476.30	1,311.33	9,510,087.14

Officer's Comment:

The schedule of accounts for the month of November 2019 are attached.

The Finance Forum held on 10 December 2019 gave attending Councillors an opportunity to ask questions regarding the presented accounts paid.

Statutory Environment:

Local Government (Financial Management) Regulations 1996.

Policy Implications:

There are no direct policy implications in relation to this item.

Financial Implications:

Expenditure in accordance with the 2019/20 Annual Budget.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and with current resources.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

PRIORITY	LEADERSHIP	
ASPIRATION	L2	A collaborative, progressive and resilient local government which is sustainably resourced.
OBJECTIVE	L2.1	Optimise use of shire resources – improve organisational systems.

Officer's Recommendation/Council Motion:

MOVED: CR KRISTY D'APRILE

SECONDED: CR DANNY MCGRATH

OC314/19 That Council endorses the Schedule of Accounts as presented, being cheques 42283-42289 totalling \$51,601.72, EFT payments 28844-29007 totalling \$1,588,987.73, direct payments totalling \$31,777.33, and credit card payments totalling \$7,613.45 authorised and paid in November 2019.

Voting Requirement: Simple Majority.

CARRIED 8/0

10.2.2 Monthly Financial Reports (ATTACHMENTS)

File Ref: FM.FI.4
Reporting Officer: Wendy Stringer, Manager Finance
Report Prepared: 05 December 2019

Body/Background:

The Local Government (Financial Management) Regulation 34 states that a local government must prepare a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget for the month.

Variances between budgeted and actual expenditure including the required Material Variances (10% with a minimum value of \$10,000) are included in the variance report.

Officer's Comment:

A variance report is included with the monthly financial statements attachment.

The Finance Forum held on 10 December 2019 gave attending Councillors an opportunity to ask questions regarding the presented financial statements.

Statutory Environment:

Local Government (Financial Management) Regulations 1996.

Policy Implications:

There are no direct policy implications in relation to this item.

Financial Implications:

Monthly Statement of Financial Activity.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and with current resources.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

PRIORITY	LEADERSHIP	
ASPIRATION	L2	A collaborative, progressive and resilient local government which is sustainably resourced.
OBJECTIVE	L2.1	Optimise use of shire resources – improve organisational systems.

Officer's Recommendation/Council Motion:

MOVED: CR KRISTY D'APRILE

SECONDED: CR MARK STEPHENS

OC315/19 That Council adopts the Statement of Financial Activity for the month ending 30 November 2019, as presented.

Voting Requirement: Simple Majority.

CARRIED 8/0

10.2.3 Katanning Leisure Centre – Top Oval Remediation

File Ref: CP.RP.3
Reporting Officer: Jenny Cristinelli, KLC Manager
Date Report Prepared: 29 November 2019

Issue:

The condition of the Top Oval at the KLC has been deteriorating due to water puddling/pooling in low lying areas. There are large patches now bare and unable to be revived due to having suspected Pythium Disease along with high concentrates of both sodium and chloride, which is toxic to turf foliage and roots.

Body/Background:

The Katanning Hockey Club and Austral's North Cricket Club and social soccer utilise the Top Oval for seasonal sporting fixtures, training and social needs. The Katanning Hockey Club have stated that injuries have occurred within the goal 'D's' of the fields marked due to the deterioration of the low lying bare turfed areas.

The areas of concern are located within the perimeter of light tower 1, which is used at night for hockey training needs. Regional user groups, including Netball WA – Great Southern, additionally utilise the ovals for 2 major carnivals a year, marking up to 6 netball courts on the oval to accommodate the 2 largest regional high school and primary school Netball carnivals annually. Courts are marked near the Main Stadium allowing for a quick transition between all areas of the complex. The Katanning Hockey Club will be hosting the 2021 Great Southern Hockey Carnival which will require 5 hockey fields, 3 of which will be located on the Top Oval and 2 on Quartermaine Oval, with approx. 400 plus players, umpires and spectators coming to Katanning to compete over a weekend.

Katanning Landcare have inspected the oval surface and reported that the areas affected may also be due to the road base below and immediately adjacent exacerbating drainage issues, acting as an underground barrier and not allowing the water to drain freely.

Statewide Turf Solutions have provided a detailed report of the condition of the Top Oval, including soil analysis. They observed turf damage, notably the location toward the Top Oval car park and along the fence line between the Top Oval and the Main Stadium. The damage has been attributed to the low-lying areas in the turf surface, where rain or irrigation water had puddled, and Pythium damage occurred. Heat and moisture would have also contributed to the loss of turf in those areas, along with the high concentrates of sodium and chloride.

Officer's Comment:

With advice being sought from professional turf businesses, along with information compiled by the officer through State Sporting Bodies, Shire of Katanning's Infrastructure & Development services department and the local Landcare Department, the Officer's recommendation is as follows:

- a) To improve with the longevity of the Top Oval, and decrease any further deterioration of the turf, a professional turf contractor be appointed to renovate of the Top Oval, via installing sub soil drainage.
- b) The Shire of Katanning's Infrastructure & Development services department provides a connection of the Top Oval ag coil drainage, in the northeast corner under the roadway to the drain closest to the Main Stadium.
- c) External contractor works as follows:

Item	Cost
<i>1.0: Box out of turf on trench lines 1000 lineal metres, level drainage lines, box out salt affected areas to be releveled and turfed, supply and install turf, miscellaneous items, transportation & turf delivery</i>	\$20,800.00
<i>1.1: Installation of drainage including main line and ag coil drainage pipes with gravel & free draining soil</i>	\$49,350.00
<i>1.2: Specialised Turf Fertilizer</i>	\$2,400.00
SUB TOTAL	\$72,550.00
SUB TOTAL	\$76402.00
GST	\$7,255.00
PROJECT TOTAL	\$79,805.00

Shire work will include subsoil drainage connection from the Top Oval to existing drainage and is estimated to cost \$3,852.00 which is included in the 19/20 budget.

Statutory Environment:

Local Government Act 1995

Policy Implications:

Nil.

Financial Implications:

A budget amendment will be required at Mid-Year Budget Review. It is recommended that KLC Facilities Reserve be used to fund the capital portion of the works estimated \$79,805.00 including GST.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" and can be managed by routine procedures within current resources.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

PRIORITY	BUILT ENVIRONMENT	
ASPIRATION	B1	Infrastructure that meets community need
OBJECTIVE	B1.1	Sustainably manage current and future assets and infrastructure

Officer's Recommendation/Council Motion:**MOVED: CR JOHN GOODHEART****SECONDED: CR ERNIE MENGHINI****OC316/19 That Council:**

- 1. Endorses the remediation works of the Top Oval at the Katanning Leisure Centre as proposed; and**
- 2. Amends the 2019/20 budget to utilise \$ 79,805.00 including GST from the KLC Facilities reserve to fund the remediation works.**

Voting Requirement: Absolute Majority

CARRIED 8/0

Cr John Goodheart spoke for the motion.

Cr Serena Sandwell spoke for the motion.

10.2.4 **IPRF Informing Strategies**

File Ref: FM.FI.1
Reporting Officer: Lisa Hannagan, Executive Manager Finance & Administration
Date Report Prepared: 11 December 2019

Issue:

For Council to endorse the Long Term Financial Plan and the Asset Management Strategy documents, as presented at the Council Workshop held on Tuesday 10 December 2019.

Body/Background:

Council are progressing the development of their Integrated Planning and Reporting document set and have previously adopted a Strategic Community Plan at the Ordinary Council Meeting held April 2018 and a Corporate Business Plan was adopted by Council in April 2018.

Council endorsed a Workforce Management Plan in December 2018.

Officer's Comment:

The *Long Term Financial Plan* model has been developed in line with current best practice to allow Council the opportunity to consider its strategic financial position.

The model presented, was a "live" model, based on a set of interlinked spreadsheets where inputs such as operating expenditure, expected revenues from rates etc can be manipulated to provide Council with understanding of the impacts their decisions make on the long term financial position of the Shire of Katanning.

The spreadsheets are then incorporated into a financial report based on the Moore Stephens Local Government template.

The model is updated on an annual basis, after the audited financial reports are received. The audited year final numbers are then included within the report.

The model can also be used to consider the long term impact to Council of any substantial financial changes that Council may be considering, such as accepting grant funding.

Council understands that the model is not a statutory document and therefore is not formally adopted by Council.

The model is primarily designed as a tool to assist Council in their decision making.

The *Asset Management Strategy* is a high level document developed to capture all of Council's assets, including built infrastructure, parks/reserves, drainage and roads. The document articulates Council's vision of the level it expects assets to be maintained at and the current condition of those assets. The Strategy does not contain financial information in relation to maintenance and renewal, but does contain schedules that detail the condition of those assets.

The Asset Management Strategy is used as an informing tool to assist Council in determining the funding required, on an annual basis, and considered during budget processes, to maintain Council assets.

Statutory Environment:

Local Government Act 1995 Section 5.56(1) Plan for the Future

Policy Implications:

Nil.

Financial Implications:

The Long Term Financial Plan was prepared by Navsdron Pty Ltd and cost \$5,000, with funds being used from GL 0864 (Operational Review).

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and with current resources.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

PRIORITY	LEADERSHIP	
ASPIRATION	L1	An inclusive community, recognised as a great place to live and visit.
OBJECTIVE	L1.2	Provide effective leadership and good governance.

Officer's Recommendation:

That Council:

1. Endorses the Long Term Financial Plan model, as presented; and
2. Endorses the Asset Management Strategy, as presented.

Voting Requirement: Simple Majority

Council Motion:

MOVED: CR KRISTY D'APRILE

SECONDED: CR SERENA SANDWELL

OC317/19 That Council endorses the Asset Management Strategy, as presented.

Voting Requirement: Simple Majority

CARRIED 8/0

REASON FOR DECISION

Council did not endorse the Officer's Recommendation is because Councillors received the hardcopy of Long Term Financial Plan documents less than 24 hours before the meeting.

10.3 EXECUTIVE MANAGER, PROJECTS AND COMMUNITY BUILDING REPORTS

Nil.

10.4 EXECUTIVE MANAGER, PROPERTY & ASSETS REPORTS

Nil.

10.5 CHIEF EXECUTIVE OFFICER'S REPORTS

10.5.1 Senior Employees

File Ref: PE.ES.1
Reporting Officer: Julian Murphy, Chief Executive Officer
Date Report Prepared: 11 December 2019

Issue:

To review Council's Management structure and designated senior employees under section 5.37 of the *Local Government Act 1995*.

Body/Background:

In August 2017 Council designated the following staff as senior employees for the purposes of S5.37 of the Act.

- Executive Manager Finance & Administration
- Executive Manager Property & Assets
- Executive Manager Projects & Community Building
- Executive Manager Infrastructure & Development

Section 5.37 of the *Local Government Act 1995* provides for the following in relation to designated senior employees:

5.37. Senior employees

- (1) *A local government may designate employees or persons belonging to a class of employee to be senior employees.*
- (2) *The CEO is to inform the council of each proposal to employ or dismiss a senior employee, other than a senior employee referred to in section 5.39(1a), and the council may accept or reject the CEO's recommendation but if the council rejects a recommendation, it is to inform the CEO of the reasons for its doing so.*

Following staff resignations and a review of the senior staff structure, the four senior management positions are proposed to be combined into two new positions of Executive Manager Corporate & Community and Executive Manager Infrastructure & Assets.

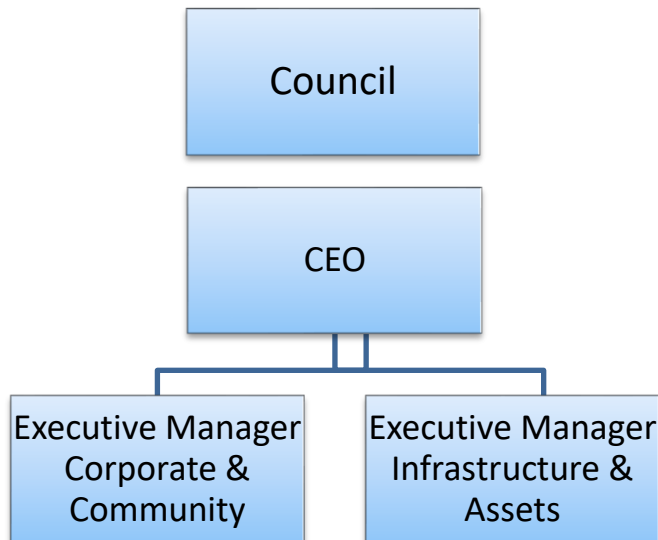
With the major strategic projects funded by Royalties for Regions nearing completion, and the associated reduction in external funding, the rationalisation of operational areas and associated reduction in senior staff is required.

Ongoing financial savings will be made on one executive manager position that has previously substantially funded by Council funds.

The restructure will see the functions of the previous four departments combined into two departments, each managed by an Executive Manager.

Corporate & Community	Infrastructure & Assets
<ul style="list-style-type: none"> • Finance • Administration • Recreation Services • Community Services 	<ul style="list-style-type: none"> • Works & Services • Technical & Asset Services • Regulatory Services • Saleyards

The following senior management structure is proposed:



Officer’s Comment:

The CEO proposes that neither of the Executive Manager positions be designated senior employees under section 5.37 the Act. This will allow for greater flexibility when implementing the new management structure. Council may consider the matter of designated senior employees in the future years once the new structure is implemented and its operating effectiveness reviewed.

Statutory Environment:

Local Government Act 1995, section 5.37 Senior employees

Policy Implications:

Nil

Financial Implications:

Reduction in senior staff costs, including salaries and vehicle costs of approximately \$160,000 per year.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Low" risk and can be managed by routine procedures and with current resources.

Strategic Implications:

Shire of Katanning Strategic Community Plan 2017 – 2027

PRIORITY	LEADERSHIP	
ASPIRATION	L1	An inclusive community recognized as a great place to live and visit
OBJECTIVE	L1.2	Provide effective leadership and good governance

Officer's Recommendation/Council Motion:

MOVED: CR KRISTY D'APRILE

SECONDED: CR JOHN GOODHEART

OC318/19 That Council:

- 1. Endorses the management structure as proposed; and**
- 2. Cancels all previous designations of senior employee positions under section 5.37 of the *Local Government Act 1995*.**

Voting Requirement: Simple Majority

CARRIED 8/0

Cr Kristy D'Aprile spoke for the motion.

11. ELECTED MEMBERS MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**PROCEDURAL MOTION:**

MOVED: CR OWEN BOXALL SECONDED: CR SERENA SANDWELL

OC319/19 That the urgent business item relating to the Shire of Katanning Audit Report, Audit Opinion and Annual Report 2018/19 be accepted at for consideration at the meeting.

Voting Requirement: Simple Majority

CARRIED 8/0

12.1 Shire of Katanning Audit Report, Audit Opinion and Annual Report 2018/19 (OCM)
(ATTACHMENT)

File Ref: FM.AU.2
Reporting Officer: Lisa Hannagan, Executive Manager Finance & Administration
Date Report Prepared: 16 December 2019

Issue:

For Council to consider the Audit and Risk Committee recommendations in relation to the Shire of Katanning Audit Report, Audit Opinion and Annual Report for the 2018/19 financial year.

Body/Background:

The Audit & Risk Committee has considered the Audit Report, Audit Opinion and received from Moore Stephens, who undertook the audit on behalf of the Office of the Auditor General.

A Council resolution adopting the Shire of Katanning Annual Report 2018/19 and the Annual Financial Report 2018/19 is required before Council can convene the Annual General Meeting of Electors.

Officer's Comment:

The Shire's Auditors have completed their audit of the Annual Financial Report and certification of Councils 2018/19 annual financial statements. Copies of the Auditor's report, Audit Opinion and draft Annual Report are included with this agenda.

Audit Report

Moore Stephens have issued an unqualified opinion on the Shire's financial report.

Audit Concluding Memorandum

In accordance with Reg 10(3) of the Local Government (Audit) Regulations 1996, we will also report:

- (a) There is a significant adverse trend in the financial position of the Shire as the Operating Surplus Ratio has been below the DLGSCI standard and OAG threshold for the past three years; and*
- (b) The following material matters which indicate non-compliance with Part 6 of the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of our audit:*
- Accounting Journal entries were prepared and posted by a senior staff member independent of preparation. Accounting journals can represent significant adjustments to previously approved accounting transactions and should therefore be independently reviewed and approved.*
 - The process and procedures for changing supplier details was not formally documented. Further there was not evidence retained of independent review of changes made to the supplier Masterfile prior to payments made. This increased the risk of unauthorised changes to key information.*

The report further states, on page 10, that the Auditor is “satisfied that the Shire has addressed the finding” in relation to both the independent review of journals and changes to supplier details.

In relation to the adverse trend in the Operating Surplus Ratio being below the DLGSCI standard for the past three years, Council have already undertaken a review into the organisational operations and structure that will result in a significant decrease in operating expenses. Changes will be implemented in the 2019/20 financial year.

The Audit & Risk committee has recommended that, in line the Finance Regulations, CEO will write to the Minister for Local Government, Sport and Cultural industries that advising of Council’s response as noted in the paragraph above.

Financial Report

The Financial Report 2018/19 has been provided with this Agenda Item.

Statutory Environment:

The relevant sections of the *Local Government Act 1995* and associated regulations provide as follows:

s6.4: Financial report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.
- (2) The financial report is to —
 - (a) be prepared and presented in the manner and form prescribed; and
 - (b) contain the prescribed information.

- (3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —
 - (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and
 - (b) the annual financial report of the local government for the preceding financial year.

s5.54: Acceptance of annual reports

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

* Absolute majority required.

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

s5.55: Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

s5.27: Electors' general meetings

- (1) A general meeting of the electors of a district is to be held once every financial year.
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.
- (3) The matters to be discussed at general electors' meetings are to be those prescribed.

s5.29: Convening electors' meetings

- (1) The CEO is to convene an electors' meeting by giving —
 - (a) at least 14 days' local public notice; and
 - (b) each council member at least 14 days' notice, of the date, time, place and purpose of the meeting.

s5.33: Decisions made at electors' meetings

- (1) All decisions made at an electors' meeting are to be considered at the next ordinary council meeting or, if that is not practicable —
 - (a) at the first ordinary council meeting after that meeting; or
 - (b) at a special meeting called for that purpose, whichever happens first.
- (2) If at a meeting of the council a local government makes a decision in response to a decision made at an electors' meeting, the reasons for the decision are to be recorded in the minutes of the council meeting.

51: Annual financial report to be signed etc. by CEO and given to Department

- (1) After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.
- (2) A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

Policy Implications:

Nil.

Financial Implications:

The cost of Auditing the annual financial reports is included in the Shire Budget.

Risk Implications:

This item has been evaluated against the Shire of Katanning's Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be "Medium" and will require the allocation of additional funding to address the lack of data around Shire Asset management. This lack of data is contributing to the issues with the Asset Sustainability Ratio.

Strategic Implications:

Nil.

Officer's Recommendation/Council Motion:

MOVED: CR JOHN GOODHEART

SECONDED: CR ERNIE MENGHINI

OC320/19 That Council:

- 1. Adopts the Audit Report for the 2018/19 financial year as presented;**
- 2. Adopts the Annual Report (including the Financial Report) for the year ended 30 June 2019 as presented;**
- 3. Advises the Minister for Local Government, in writing, of its response to the Operating Surplus Ratio not currently meeting the required standard; and**
- 4. Holds the General Meeting of Electors on Thursday 6 February 2020 at 7.30pm at the Katanning Leisure Centre Pioneer Room.**

Voting Requirement: Absolute Majority

CARRIED 8/0

NB. Dates for the AGM, noting 14-day advertising period for local notice & only if the Council resolve as above and this item is listed as a Late Item and adopted at the OCM on 17 December 2019.

Advertising period would be 6-20 January 2019. Suggested dates are 3-6 February 2020.

Cr John Goodheart spoke for the motion.

13. CONFIDENTIAL ITEMS**PROCEDURAL MOTION****MOVED: CR MARK STEPHENS SECONDED: CR OWEN BOXALL****OC321/19 That Council closes the meeting to the public to consider the following items.**

- **Katanning Citizen of the Year Awards 2020.**
- **RFT 09-2019 Construction of Housing Accommodation.**
- **Saleyards Canteen – Licence to Operate.**
- **Performance Review of the Chief Executive Officer.**

Voting Requirement: Simple Majority

CARRIED 8/0

Mr Arthur Todd left the room at 6.22pm.

13.1 Katanning Citizen of the Year Awards 2020

File Ref: CR.AH.1
Reporting Officer: Natassia Shirazee, Community Relations Officer
Date Report Prepared: 5 December 2019

Reason for Confidentiality

The Officer's Report is confidential in accordance with section 5.23(2)(b) of the Local Government Act because it deals with the personal affairs of persons. The Officer's Report has been provided to Council under separate cover.

Officer's Recommendation/Council Motion:**MOVED: CR KRISTY D'APRILE SECONDED: CR OWEN BOXALL****OC322/19 That Council endorses the recommendations from the Citizen of the Year Committee for the 2020 Katanning Citizen of the Year Awards.****Voting Requirement:** Simple Majority

CARRIED 8/0

Cr Kristy D'Aprile spoke for the motion.
Cr Owen Boxall spoke for the motion.

13.2 **RFT 09-2019 Construction of Housing Accommodation**

File Ref: CP.TE.8
Reporting Officer: Heidi Cowcher, Executive Manager Property & Assets
Date Report Prepared: 11 December 2019

Reasons for Confidentiality

The officer's report is confidential because it deals with a matter relating to a contract that may be entered into by Council in accordance with Section 5.23(2)(c) of the *Local Government Act 1995*.

MOVED: CR JOHN GOODHEART **SECONDED: CR KRISTY D'APRILE**

OC323/19 **That Council suspends standing orders.**

Voting Requirement: Simple Majority

CARRIED 8/0

PROCEDURAL MOTION:

MOVED: CR SERENA SANDWELL **SECONDED: CR DANNY MCGRATH**

OC324/19 **That Council resumes standing orders.**

Voting Requirement: Simple Majority

CARRIED 8/0

Officer's Recommendation

That Council accepts the recommendation from the tender evaluation panel to accept the tender from BGC Constructions in response to RFT 09-2019 Construction of Housing Accommodation of \$2,650,058.

Voting Requirement: Simple Majority

Council Motion:

MOVED: CR SERENA SANDWELL **SECONDED: CR DANNY MCGRATH**

OC325/19 **That Council accepts the recommendation from the tender evaluation panel to accept the tender from BGC Constructions in response to RFT 09-2019 Construction of Housing Accommodation of \$2,650,058, subject to written confirmation from the contactor that if federal government funding is not secured that Council can withdraw from the contract without penalty.**

Voting Requirement: Simple Majority

CARRIED 8/0

Cr Serena Sandwell spoke for the motion.
Cr Liz Guidera spoke for the motion.

REASON FOR DECISION:

Council included a condition to the resolution to ensure it would have the ability to withdraw from the contract without penalty should federal funding not be secured.

13.3 Saleyards Canteen – Licence to Operate.

File Ref: CP.PL.7
Reporting Officer: Lisa Hannagan, Executive Manager Finance & Administration
Date Report Prepared: 12 December 2019

Reasons for Confidentiality

The officer's report is confidential because it deals with a matter relating to a contract that may be entered into by Council in accordance with Section 5.23(2)(c) of the *Local Government Act 1995*.

MOVED: CR SERENA SANDWELL SECONDED: CR KRISTY D'APRILE

OC326/19 That Council suspends standing orders.

Voting Requirement: Simple Majority

CARRIED 8/0

PROCEDURAL MOTION:

MOVED: CR OWEN BOXALL SECONDED: CR MARK STEPHENS

OC327/19 That Council resumes standing orders.

Voting Requirement: Simple Majority

CARRIED 8/0

Officer's Recommendation:

OC/19 That Council:

- 1) Accept the submission from Rae Gray to operate the saleyard canteen;
- 2) Authorise the CEO and Saleyards Manager to negotiate with Rae Gray in relation to cleaning and security;
- 3) Authorise the Chief Executive Officer to negotiate a Licence to Occupy for a period of three years.

Voting Requirement: Simple Majority

Council Motion:**MOVED: CR OWEN BOXALL****SECONDED: CR KRISTY D'APRILE****OC328/19 That Council**

- 1) Authorises the CEO and Saleyards Manager to negotiate with Rae Gray in relation to cleaning and security at the Saleyards Canteen; and**
- 2) Authorises the Chief Executive Officer to negotiate a Licence to Occupy the Saleyard Canteen ensuring minimum trading hours.**

Voting Requirement: Simple Majority

CARRIED 8/0

Cr Owen Boxall spoke for the motion.

Cr Kristy D'Aprile spoke for the motion.

REASON FOR DECISION:

Council changed the officer's recommendation as it wished to ensure the provision of catering on sale days.

Lisa Hannagan, Heidi Cowcher and Sue Eastcott left room 7.22pm

13.4 Chief Executive Officer Performance Review
(ATTACHEMENT)

File Ref: Personnel File
Reporting Officers: Julian Murphy, Chief Executive Officer
Natalie Lincolne, Senior Consultant, Price Consulting Group
Date Report Prepared: 11 December 2019
Disclosure of Interest: Financial Interest - Matters affecting the employment of the CEO

Reason for Confidentiality

The Chief Executive Officer's Report is confidential in accordance with section 5.23(2)(a) of the Local Government Act because it deals with matters affecting an employee of Council. The Chief Executive Officer's Report has been provided to Council under separate cover.

Officer's Recommendation/Council Motion:

MOVED: CR KRISTY D'APRILE SECONDED: CR MARK STEPHENS

OC329/19 That Council:

- 1. Notes that the appraisal of Julian Murphy, Chief Executive Officer, has been undertaken for the period of September 2018 to August 2019.**
- 2. Accepts the outcome of 'Meets Expectations' and thanks Mr. Murphy for his efforts.**
- 3. Approves a 1% increase to the current cash component of the CEO's Total Reward Package, backdated to 1 September 2019.**
- 4. Endorses the CEO's Key Result Areas for the next review period as amended.**
- 5. Notes that current CEO's contract expires on 30 August 2020. The contract requires Council to make a decision to finalise discussions about whether a new contract will be issued to Mr Murphy not later than six months' prior to the expiry of the term of his contract, i.e. 28 February 2020.**

Voting Requirement: Simple Majority

CARRIED 8/0

Cr Kristy D'Aprile spoke for the motion.

Cr Liz Guidera spoke for the motion.

PROCEDURAL MOTION

MOVED: CR OWEN BOXALL SECONDED: CR DANNY MCGRATH

OC330/19 That Council reopens the meeting to the public.

Voting Requirement: Simple Majority

CARRIED 8/0

14. CLOSURE OF MEETING

The Presiding Member declared the meeting closed at 7.27 pm